FAS REPORT

United States
Department of
Agriculture
Foreign
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Service
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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 37-82

WASHINGTON, Sept. 15--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

WORLD grain production in 1982/83 is forecast at 1.634 billion tons, virtually unchanged from last month's level, but slightly below the record 1981/82 crop.

World wheat production for 1982/83 is now forecast at 449 million tons, up fractionally from last month's estimate but 1 percent below the 1981/82 record. Increases in area estimates, as well as favorable weather, have resulted in higher estimates for South Africa and Argentina. Improved yield prospects were responsible for increases in the production forecasts for the United States and Western and Eastern Europe. Drought conditions continued in Australia's eastern grain belt causing further area and yield reductions.

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WORLD coarse grain production for 1982/83 is forecast at a record 780 million tons, down slightly from last month's forecast but 1 percent above the previous record 1981 crop. Dry conditions in northeastern China reduced corn and sorghum yield prospects, which were only partially offset by increased barley yields in the North China Plain. Dry conditions also persisted in Australia and Mexico, adversely affecting yields.

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WORLD 1982/83 rice production is projected at 405 million tons (rough basis), slightly above last month's estimate, but down 6 million tons from the record level produced in 1981/82. In China, the rice crop was raised by 1 million tons to 145.0 million due to a favorable growing season which has produced average to above average yields for the early rice crop and has promoted a favorable outlook for the intermediate and late season rice crops. In Bangladesh, the estimate was raised by 1.3 million tons as a result of good late July and August rains, which ended the early season dry conditions. Production estimates were adjusted downward in Thailand (1 million tons) and Pakistan (450,000 tons) due to dry conditions.

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OILSEEDS AND PRODUCTS

WORLD oilseed output for 1982/83 is forecast at a record 184.8 million tons, down 0.3 million from last month, but 12 million or 6.9 percent above 1981/82. A drop in prospective world soybean production accounts for much of the decline.

World soybean production is forecast at a record 98.5 million tons, down 0.4 million from a month ago, but 11.5 million or 12.9 percent above last year's output. Reduced prospective Brazilian and Soviet production are only partially offset by improved U.S. crop prospects. Brazil's output is forecast at 14.6 million tons, down 0.9 million from last month based on lower area indications due to lower soybean prices relative to competitive crops. Dry weather is cutting yields in the Soviet Far East. U.S. soybean production estimates were raised by 0.5 million tons this month as yield prospects improved, particularly in the South Central states.

Sunflowerseed output for 1982/83 is forecast at 16.1 million tons, up marginally from last month as a larger Soviet crop is offset by lower indications for Romanian output.

Rapeseed production is estimated at 13.4 million tons for 1982/83, virtually unchanged from a month earlier. Forecast Canadian output is lower this month due to an earlier-than-normal frost in portions of the rapeseed growing area in western Canada. The 0.2 million-ton drop was mostly offset by a larger harvest in Western Europe, particularly in the United Kingdom where area is estimated at 30 percent above year-earlier levels.

DAIRY, LIVESTOCK AND POULTRY

Initial forecasts indicate that WORLD 1983 milk production in 36 selected countries is likely to increase about 4 million tons compared with a 3 million-ton increase in 1982. With limited prospects for increased world trade, 1983 growth in cheese production is likely to be slower than in recent years. Though prices are generally unfavorable, production of butter and nonfat dry milk (NFDM) may increase as milk is diverted from fresh milk and cheese manufacture. Current forecasts point to an increase in casein production following 2 years of low production.

With a revised dairy program, milk production in the United States is currently forecast to stop expanding and could decline slightly during 1983 following a 1.7 percent increase in 1982. Canada's program to cut dairy surpluses by limiting milk price increases and cutting the industrial quota is expected to cause a 2 percent decline in milk production during 1983. With expectations of lower milk production, NFDM production in Canada could decline by 15 percent.

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While milk producers in New Zealand had generally favorable returns during the first half of 1982, continued cost increases and prospects for stable prices have cut production prospects. Consequently, 1982 and 1983 milk production levels are expected to be only slightly above 1981. With a favorable export situation, cheese production may expand around 10 percent while casein production recovers from last year's decline. Unsatisfactorily high stocks of NFDM could lead to a sharp cutback in production during 1983. In Australia, better returns for dairy farmers may halt the long-term decline of the dairy industry. Cow numbers and milk production during 1983 are forecast to be very near the 1982 level.

With a 10.5 percent increase in the target price, the outlook is for further increases in the European Community's milk production during both 1982 and 1983. With lower demand for cheese, more milk is likely to be diverted to butter and nonfat dry milk production, a significant portion of which may end up in intervention stocks. Casein production during 1982 is likely to recover from the low 1981 level, but may not increase again in 1983. French milk production, though setback somewhat by dry weather during June and July, is expected to increase nearly 600,000 tons in 1982. A similar increase is expected in 1983. In the Netherlands, a favorable export market for dairy products early in 1982, based in part on EC export subsidies, is expected to stimulate a 4 percent increase in 1982 milk production.

A squeeze on the profits of Japanese dairy farmers is expected to keep milk production in both 1982 and 1983 near the 1981 level. Limited milk supplies will keep output of processed dairy products from increasing and could create a need to import some products.

In the Soviet Union, a larger dairy herd and favorable summer pasture conditions in many of the major dairy regions appear unlikely to offset the impact of the overall poor feed situation stemming from the poor grain harvest. Consequently, the current forecast is for another decline in milk production during 1982. Production in 1983 may recover to the 1981 level if feed supplies become more available.

Cow Milk and Cheese Production in Selected Regions

	Cow Milk			Cheese		
Country/Region	1981 1/	1982 2/	1983 2/	1981 1/	1982 2/	1983 2/
	million tons			thousand tons		
United States	60.2	61.2	61.0	1,918	1,976	2,015
EC-10	104.9	106.8	108.1	3,428	3,509	3,581
Japan	6.6	6.6	6.6	10	10	11
USSR	88.5	87.0	88.5	658	665	665
Australia	5.3	5.3	5.5	125	138	130
New Zealand	6.7	6.7	6.7	84	108	120
World Total 3/	380.6 4/	384.0 4/	388.2	8,341	8,557	8,697

1/ Preliminary. 2/ Forecast. 3/ Includes 36 countries. 4/ Reflect a downward revision of 3 million tons in India.

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Nonfat Dry Milk and Butter Production in Selected Regions

Country/Region	Nonfat Dry Milk 1981 1/	1982 2/	1983 2/	Butter 1981 1/	1982 2/	1983 2/
	thousand tons					
United States	596	650	645	557	579	578
EC-10	2,006	2,052	2,077	1,914	1,998	2,040
USSR	352	345	348	1,309	1,300	1,310
Australia	54	76	68	79	74	75
New Zealand	181	195	155	259	245	240
World Total 3/	4,181	4,340	4,320	5,911	6,032	6,103

1/ Preliminary. 2/ Forecast. 3/ Includes 36 countries.

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CHINA plans to start commercial turkey production in the Beijing area through its Municipal Bureau of Animal Husbandry. The Bureau is currently only raising 7,000 breeding turkeys from stock imported from the United States and Canada in 1981. The foreign community in Beijing is expected to be the first market for Chinese production. Eventually, China hopes to produce 400,000 turkeys a year for general distribution in the Beijing area.

COTTON AND FIBERS

This month's WORLD cotton production is estimated at 66.6 million bales in 1982/83, 200,000 bales below last month's estimate and 6.6 percent below last year's record crop of 71.3 million. Slightly lower production prospects for the United States, India and Pakistan more than offset an upward revision for Zimbabwe. The 1 percent downward revision in this month's production estimate for the United States is attributable to a marginal reduction in forecast acreage for harvest. Foreign output was reduced slightly to 55.6 million bales, showing little change from last year's record production level.

TOBACCO

ITALY's cigarette prices, as well as those of other tobacco products, were increased July 9, 1982. The price of the leading domestic cigarette brand was increased from 900 lire (US$0.75) to 1,100 lire (US$1.26 per pack. The leading imported brands were increased from 1,500 lire (US$1.26) to 1,750 lire (US$1.47) per pack. January-June 1982 sales of tobacco products rose 4 percent from the same period in 1981, mostly due to expanded sales of domestic products. According to the first unofficial statistics, sales of tobacco products in July declined 12 percent from July 1981. However, after an initial decrease because of higher prices, tobacco consumption is expected to continue its normal trend, without any dramatic fluctuation.

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VEGETABLES

Fresh white asparagus production for 1982 in TAIWAN is estimated at 89,800 tons, an increase of 10 percent from the poor 1981 crop. The 1982 harvested area of 11,296 hectares is down 9 percent from 1981 and 10 percent since 1980. The decline in producing areas since 1980 stems from poor profits. Fertilizer costs rose 73 percent in 1981 and now account for about 25 percent of total production costs. Grower contract prices offered by processors have remained unchanged for 3 years and now barely cover total production costs.

The government is expected to announce a five-year production and sales plan later this month, calling for an annual fresh white asparagus production target of 84,000 tons.

FRUITS AND NUTS

Output of filberts by the major WORLD producers is expected to total 382,900 tons, 23 percent smaller than the 495,300 tons of the 1981 season. Preliminary estimates indicate that Turkey's 1982 crop will be 34 percent below the 1981 level. This substantial drop from last season's record output of 380,000 tons was primarily due to cold, rainy weather during blossoming. Also, the unusually heavy crop harvested in 1981 weakened a large number of trees and adversely affected 1982 yields. Filbert production in Spain is expected to decline for the third consecutive year. Poor pollinating weather, severe drought and a slowdown in acreage expansion account for the 20 percent decline forecast for the 1982 crop.

In contrast, filbert supplies from Italy and the United States are expected to be plentiful during the 1982 season. Italy's 1982 crop is currently forecast to exceed the 1981 volume by 25 percent -- reflecting a peak of the 2-year production cycle. Excellent growing conditions, a good nut set and new plantings coming into production are expected to result in a record U.S. crop in 1982. Data are as follows in 1,000 tons:

COUNTRY	1977	1978	1979	1980	1981	SEPTEMBER 1982 ESTIMATE1/
Italy	70.0	105.0	80.0	100.0	80.0	100.0
Spain	30.0	13.0	30.9	24.4	22.0	17.5
Turkey	290.0	305.0	290.0	240.0	380.0	250.0
United States	10.7	12.7	11.8	14.0	13.3	15.4
Total ..	400.7	435.7	412.7	378.4	495.3	382.9

1/ Preliminary.

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WORLD commercial almond production for 1982 is currently estimated at 258,300 tons. This represents a 15-percent decline from the 1981 record volume but, if finalized at this level, would become the second largest crop to date. Spain's 1982 almond crop is expected to be 25 percent smaller than the record 1981 harvest due to severe drought in the principal growing areas. Heavy rains resulting in poor pollination were partly responsible for smaller crops in both Italy and Morocco. Also, many of Morocco's almond trees were badly damaged or destroyed during the 1981 season by prolonged drought and severe insect and fungus infestations. Although Italian groves escaped permanent injury from a severe 1982 drought, some fruit droppage did occur.

Favorable growing conditions prevailed during the 1982 season throughout the almond areas of Portugal, Turkey and the United States. Portugal and Turkey, however, are the only commercial producers expected to exceed their 1981 output. The U.S. crop is expected to be down 10 percent from the record 1981 outturn of 184,600 tons due to the alternate year bearing tendency of almond trees. Data are as follows in 1,000 tons:

COUNTRY	1977	1978	1979	1980	1981	SEPTEMBER 1982 ESTIMATE1/
Italy........	22.0	22.0	7.0	20.0	25.0	16.0
Morocco......	1.7	3.5	2.5	2.5	4.0	2.5
Portugal	1.6	3.0	2.1	5.0	3.5	4.2
Spain........	32.0	60.0	32.0	45.0	80.0	60.0
Turkey	8.0	8.7	8.8	10.7	8.3	10.0
United States	142.0	82.1	170.6	146.1	184.6	165.6
Total ...	207.3	179.3	223.0	229.3	305.4	258.3

1/ Preliminary.

COFFEE, TEA AND COCOA

WORLD tea production in 1982 is estimated at 1.87 million tons, compared to 1.88 million in 1981. Decreases are projected for all major producing countries except China, which continues to expand. The prolonged dry weather in both the northern and southern Indian producing areas in late 1981 and early 1982 is expected to result in the total crop declining to 558,000 tons, despite anticipated higher production levels during the latter half of 1982.

Drought also affected Sri Lanka's tea crop early in 1982. Production is expected to total 200,000 tons, compared to the 1981 level of 210,000.

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CCC GUARANTEES AMENDED FOR AGRICULTURAL SALES TO KOREA

WASHINGTON, Oct. 1--Commodity Credit Corporation (CCC) Export Credit Guarantees to U.S. exporters for sales of U.S. tallow, soybeans, and cotton to the Republic of Korea have been amended according to Melvin E. Sims, general sales manager of the U.S. Department of Agriculture's Foreign Agricultural Service.

Repayment periods for sales of soybeans and tallow are amended to 18 months from the previously undesignated repayment period initially announced on Sept. 27, 1982, according to Sims.

Final sales registration and shipment completion dates for cotton are both amended to Dec. 31, 1983 from Sept. 30, 1983 as previously announced.

For further infomation, call Jack Rower (202) 447-3224.

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Output in Kenya is estimated at 90,000 tons, down from 91,000 in 1981, also due to dry weather in early 1982 which offset the effect of continued increases in planted and harvested area (up 4 percent). Volcanic activity on West Java near the major black tea producing area is expected to reduce Indonesian production to 75,000 tons in 1982 from the 86,000 tons in 1981.

The Chinese crop is expected to rise to 355,000 tons and small production gains are forecast for Argentina and the USSR.

RECENT FOREIGN AGRICULTURE CIRCULARS

Status of U.S. Sugar Import Quotas, Sugar Import Notice 16-82
Dairy Exports Continue to Rise in 1981; Volume of Imports Increase Over a Year Ago, FD-1-82

TO ORDER, CONTACT: U.S. Department of Agriculture, FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 14, 1982		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%.....	1/	1/	1/	214.00
U.S. No. 2 DNS/NS: 14%........	175.00	4.76	-.06	189.00
U.S. No. 2 DHW/HW: 13.5%......	1/	1/	1/	203.00
U.S. No. 2 S.R.W..............	142.00	3.86	-.09	175.50
U.S. No. 3 H.A.D..............	166.00	4.52	+.08	190.00
Canadian No. 1 A: Durum.......	1/	1/	1/	212.00
Feed grains:				
U.S. No. 3 Yellow Corn........	106.00	2.69	1/	130.00
U.S. No. 2 Sorghum 2/.........	1/	1/	1/	141.00
Feed Barley 3/................	1/	1/	1/	145.00
Soybeans:				
U.S. No. 2 Yellow.............	219.75	5.98	-.25	257.50
Brazil 47/48% Soya Pellets 4/.	208.00	--	+1.50 5/	1/
U.S. 44% Soybean Meal (MT)....	195.00	--	-6.00 5/	234.00
EC Import Levies				
Wheat 6/......................	105.66	2.88	-.09	69.60
Barley........................	97.41	2.12	-.13	70.75
Corn..........................	114.27	2.71	+.29	86.70
Sorghum.......................	95.82	2.43	-.12	72.45

1/ Not available. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Dollars per metric ton. 6/ Durum has a special levy.

Note: Basis October delivery.